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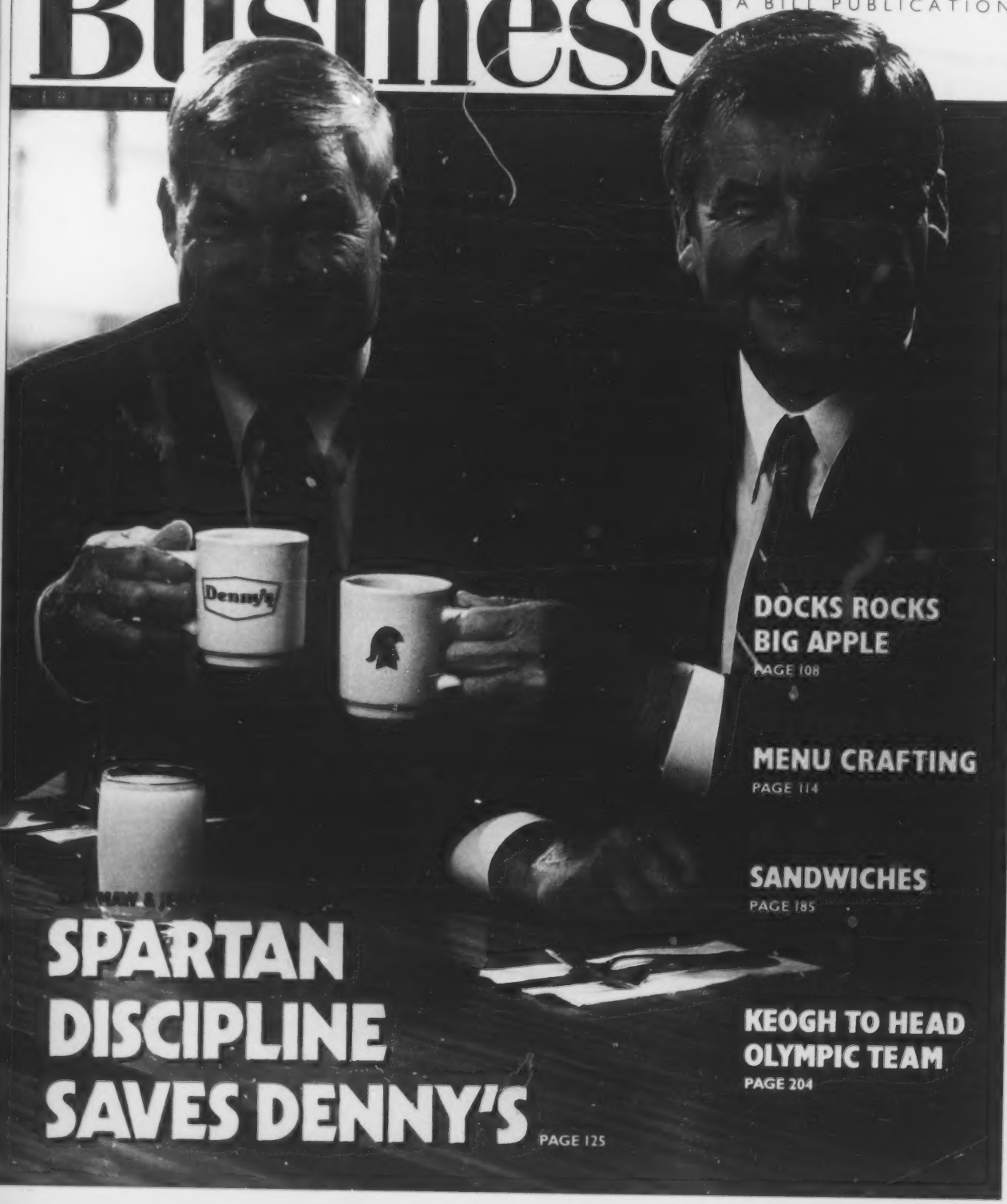
MARKET SEGMENT REPORT **ORIENTAL** PAGE 141

Restaurant Business

A BILL PUBLICATION



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KEOGH TO HEAD OLYMPIC TEAM

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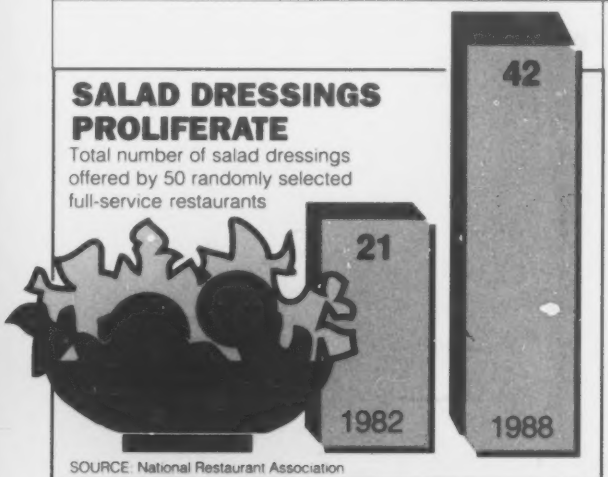
BUSINESS BAROMETER

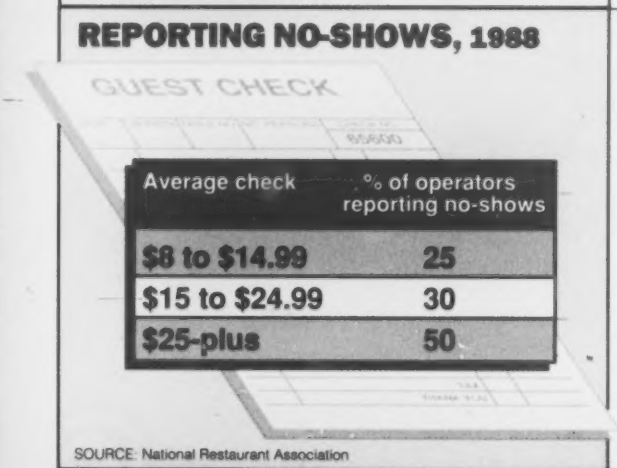
The Hard Facts Shaping Our Industry

By Howard Riell



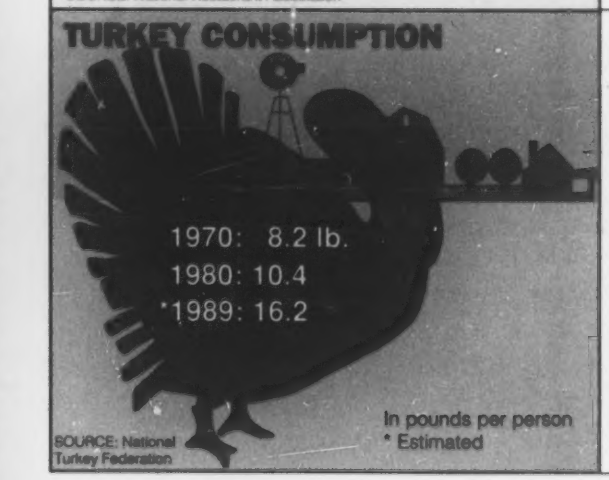
Dressing For Success

The rapidly growing variety of salad dressings at full-service restaurants can hardly be considered any kind of surprise to an industry that has seen the popularity of salad skyrocket in recent years. The increasing experimentation with and proliferation of dressings, in fact, "suggest the growing importance of salad as both a side dish and entree," according to Harris Rusitzky, vice president of the National Restaurant Association. "It is also a testament to America's fascination with new flavor sensations." Dressing variety has also grown among many fast-food operations.



Reservations About Reservations

More and more operators are talking not simply about the problem of no-shows, but about taking action to curb the practice. Among the ways that restaurateurs can combat the problem recently outlined by NRA treasurer Michael Hurst: cancellation of unconfirmed reservations; maintaining lists of customers who regularly fail to honor reservations; and charging fees for large parties that fail to show up. "In 1989," according to Hurst, "operators will work harder to educate their customers about the importance of honoring reservations."



Americans Talking Turkey

Americans are eating more turkey, according to the National Turkey Federation (NTF). "The main reason is that turkey is thought of as a healthy kind of food," says NTF consumer affairs specialist Laurie Wilson. Three-ounce portions of turkey not only have fewer calories (116) than chicken (119) and beef (200), but fewer milligrams of cholesterol (55 for turkey, 68 for beef, and 72 for chicken). In addition, turkey growers themselves have stepped up marketing efforts in an attempt to convince consumers that turkey needn't be just for Thanksgiving.

RESTAURANT BUSINESS

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COVER STORY

STRATEGY **TW SERVICES.** *Despite a relentless series of trials and challenges that might have crippled other operators, TW Services has thrived. The conglomerate manages a portfolio of interests, including the 1,370-unit Denny's coffee-shop chain and Spartan Foods Systems Inc., the largest Hardee's franchiseee with 430 units and operator of the Quincy's Family Steak House chain. Having led a successful turnaround of the faltering Denny's, TW Services has mapped an ambitious course for itself in 1989 and beyond* 125

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Cover photograph by Steve Smith.

National Frozen Food Assn. ..... **Part II**

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UPCOMING CONFERENCE

Participants from all segments of the foodservice and meat industries will gather at the first **CENTER-OF-PLATE** *Foodservice Marketing Conference. The Conference, scheduled for April 3 to 5 at the Hyatt Regency in Chicago, is cosponsored by* Restaurant Business *and the American Meat Institute.* RB's *sister publications,* Institutional Distribution *and* FoodService Director, *will also participate.*

For more information, contact Editor Peter Berlinski, Restaurant Business, *633 Third Avenue, New York, NY 10017.*

REPRINTS AVAILABLE

Restaurant Business *now has available specially prepared reprints of the* **1988 RESTAURANT GROWTH INDEX** *and the* **1988 MAJOR FORCES IN FRANCHISING.** *These annual studies are invaluable reference tools.*

The reprints are available for $5 per copy. Direct inquiries to: Editor Peter Berlinski, Restaurant Business, *633 Third Avenue, New York, NY 10017.*

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IN THE MARCH 1 ISSUE

COVER STORY

THE INDEPENDENT COUNTERATTACK

The independent operator has his own special set of problems. For Kerry Marshall, owner of Mudds, it has been a struggle from day one; business was fueled by explosive growth in his San Ramon, CA, marketplace, but competition has skyrocketed too. Tom McCabe's restaurant Tom Foolery's, in Westboro, MA, has been successful from the start, but McCabe has really had to keep his house in order to stay on top in a crowded market.

SPECIAL FEATURE

THE BEDA AWARDS

The top 100 restaurants for business dining in the U.S. and Canada, as selected by readers of *RB's* sister publication *Sales & Marketing Management*, are honored in this prestigious annual program, cosponsored by *Restaurant Business.*

MARKET SEGMENT REPORT

ITALIAN

Americans can't seem to get enough of Italian food. So far, General Mills' Olive Garden is the only chain to reach anything like national prominence, but many observers think that the market can support several chains in the 200- to 500-unit range. Meanwhile, the cuisine's acceptance by consumers means an opportunity for all operators with a mind to menu diversification.

MENU IDEAS

SEAFOOD

Seafood—especially shellfish—continues to benefit from the fact that consumers are reluctant to cook fish at home. *RB's* recipes allow operators to capitalize on that trend.

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ORIENTAL

MARKET SEGMENT REPORT

At one time, industry observers were saying that Oriental food would be the next ethnic cuisine to be borrowed from the small independents and become big business. Then the experts reversed themselves. Customers do love Oriental food, they said, but they like their egg rolls and moo goo gai pan in traditional surroundings, served by Chinese.

The truth is probably somewhere in between. There are plenty of examples of small, entrepreneurial chains that are flourishing, yet industry annals contain countless tales of other companies that have foundered.

"Historically, restaurants in the Oriental segment have been run by mom and pop operators," says Nancy Kruse, a principal with the Chicago-based consulting firm Technomic Inc. "Our consumer research has shown that Oriental food is most acceptable when it is authentic, and that means served in a restaurant environment where almost everyone you see is Oriental."

ORIENTAL PERSONALITY. Yet small chains exist that employ plenty of Caucasians. Almost always, however, an Oriental personality is behind the enterprise and in contact with the public. Thoroughly Americanized, these Oriental entrepreneurs are chasing the American dream of success.

"I don't want a mom and pop place. I'd be in the kitchen the rest of my life speaking Chinese," says one, Lucy Chee McHale, owner of two Chinese restaurants in California. "And the Chinese community is different than it was 20 years ago. We speak English, and we want to be part of American society."

What appears to be most crucial is the issue of quality and food authenticity. Many of the Oriental chain concepts that have failed were developed by Westerners intent on exploiting a niche that appeared attractive, but whose food simply was not as authentic as that served by the independent operators.

LOGO CALLIGRAPHY BY ANITA TAI

Pictured is the Levy Restaurants' Eurasia, which blends Oriental and Western themes.

Technomic's Kruse remarks that part of the appeal of Oriental food is that it is perceived as being fresh and healthy. "Unfortunately, the perception of chain food is that it is made up ahead of time or somehow prepackaged, and that it isn't particularly fresh or healthy," she says.

Oriental food is undeniably popular. According to the National Restaurant Association, traffic counts at Asian restaurants leapt 57% between 1982 and 1987, while the restaurant industry as a whole recorded only a 14% gain in traffic. Overall, says the NRA, Asian restaurants accounted for 8% of the increase in total industry traffic.

And, says the NRA, while traffic counts at quick-service and upscale Oriental restaurants have soared,

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BY JACQUE KOCHAK

midscale restaurants—the particular province of ethnic independents—continue to hold the largest share of the Asian market.

FAST FOOD. Despite all the past failures, there are those who are sure that a successful Oriental fast-food chain will eventually emerge.

"I think the fast-food portion of the segment is going to develop, because Oriental food does lend itself to quick service," says Keith Lowry, president of Mark Pi International, one of the largest full-service Oriental chains.

There *should* be interest in quick-service Oriental operations; according to the NRA, traffic counts more than doubled at quick-service Asian restaurants, compared with a 26% increase for the entire quick-service market.

At a time when take-out commands increasing interest, it is significant to note that, according to the NRA, in 1987 nearly 80% of patrons at quick-service Oriental restaurants ate off-premise, compared with 60% for the entire quick-service segment. Yet few Oriental fast-food operations offer drive-thru or delivery service. In 1987, according to the NRA, only 5% of customers at quick-service Oriental restaurants used a drive-thru, compared to 19% of patrons at other types of fast-food outlets.

One of the most well-known examples of a successful regional chain is Minneapolis' Leeann Chin's Inc., with three full-service restaurants and eight carry-out-only locations scattered around the Twin Cities. Leeann Chin's attained prominence when it was purchased by General Mills Restaurant Group several years ago. General Mills attempted to open several carry-out operations in Chicago, but they were closed and the company was sold back to founder Leeann Chin in March of 1988.

Leeann Chin, a native of Canton, China, was raised to be a traditional wife and mother. But because she wanted to send her children to college, she started working as a seamstress, and later gave cooking classes. One thing led to another, and General Mills published a compendium of her recipes as *Betty Crocker's Chinese Cookbook.*

There are a few regional chains, but all attempts to create national Oriental-concept chains have failed.

While she taught, she catered; later, she was approached by investors. To the dismay of her husband, she opened a restaurant, and it flourished.

The three full-service restaurants all serve a buffet that changes every day. In decor, the restaurants bear little resemblance to the traditional Chinese restaurant. The first restaurant, in a shopping mall, is an intimate space full of wood, marble, and Chinese artifacts. The newest restaurant, in an office building lobby, is terraced in four tiers from the lobby level to a crow's nest bar at the top.

The eight carry-out units, each with about 35 seats, have a fixed menu and a lower check average than the full-service restaurants have. The atmosphere is much more casual, with food served in plastic containers.

Leeann Chin's daughter Laura Chin, a vice president with the company, says that the reason so many hopeful entrepreneurs have failed to establish a successful Chinese quick-service chain is that they've cut corners.

"A lot of people think you can do it like a Burger King—just hire anybody and put the food out," she says. "You can't. Employees have to know Chinese food. We use standardized reci-

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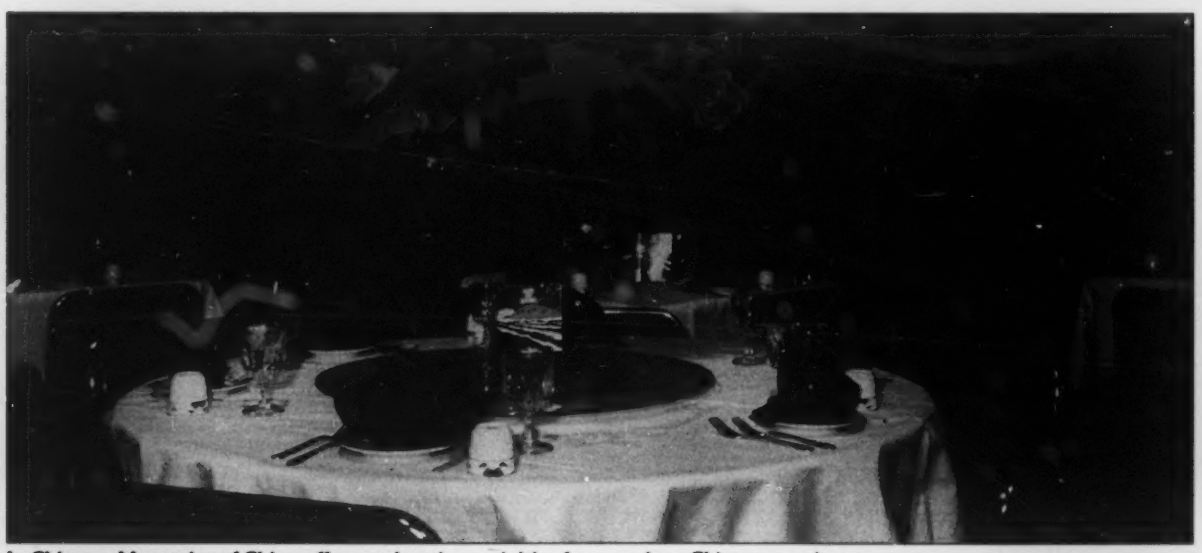


In Chicago, Memories of China offers authentic specialties from various Chinese provinces.

pes, but we can't be too rigid."

Leeann Chin's does not insist that employees be Oriental. "We employ 500 people," says Laura Chin. "There probably aren't that many Chinese people in Minneapolis." Employees are rigorously trained.

EGG ROLLS IN TULSA. Another example of a succcessful, Chinese-owned fast-food chain is Tulsa, OK's Eggroll Express, a company that operates seven freestanding fast-food operations in this oil-belt city of some 750,000. A sister company operates another five units in Dallas.

Both companies are owned by Frank and Bonny Huang, who opened a full-service restaurant called the Peking Garden in Tulsa in 1976. The first Eggroll Express followed in 1983, with the last one opened in February of 1987.

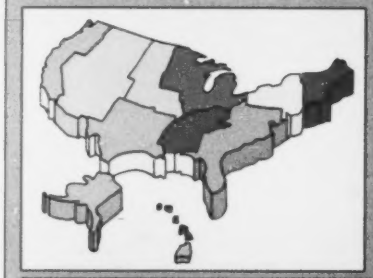
Each Eggroll Express has a dining room usually seating less than 50, as well as a brisk take-out business and a drive-thru that accounts for 30% to 40% of sales, according to business manager Jim Burge.

The mother restaurant, Peking Garden, offers a much broader and more complicated menu than an Eggroll Express. The atmosphere is upscale, with waiters attired in tuxedos.

The Eggroll Express menu has been pared down to favorites such as moo goo gai pan and pepper beef. The six main entrees are served from a steam

LOTS OF WOKS IN WEST

Distribution of Oriental Restaurants by U.S. Census Regions



Middle Atlantic	20.5	3,966
[illegible]	[illegible]	[illegible]
West/North Central	4.9	950
South Atlantic	13.7	2,660
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West/South Central	9.1	1,769
Mountain	5.2	1,001
Pacific	28.6	5,537
TOTAL ORIENTAL RESTAURANTS:		

SOURCE: RE-COUNT '88, Restaurant Consulting Group Inc.

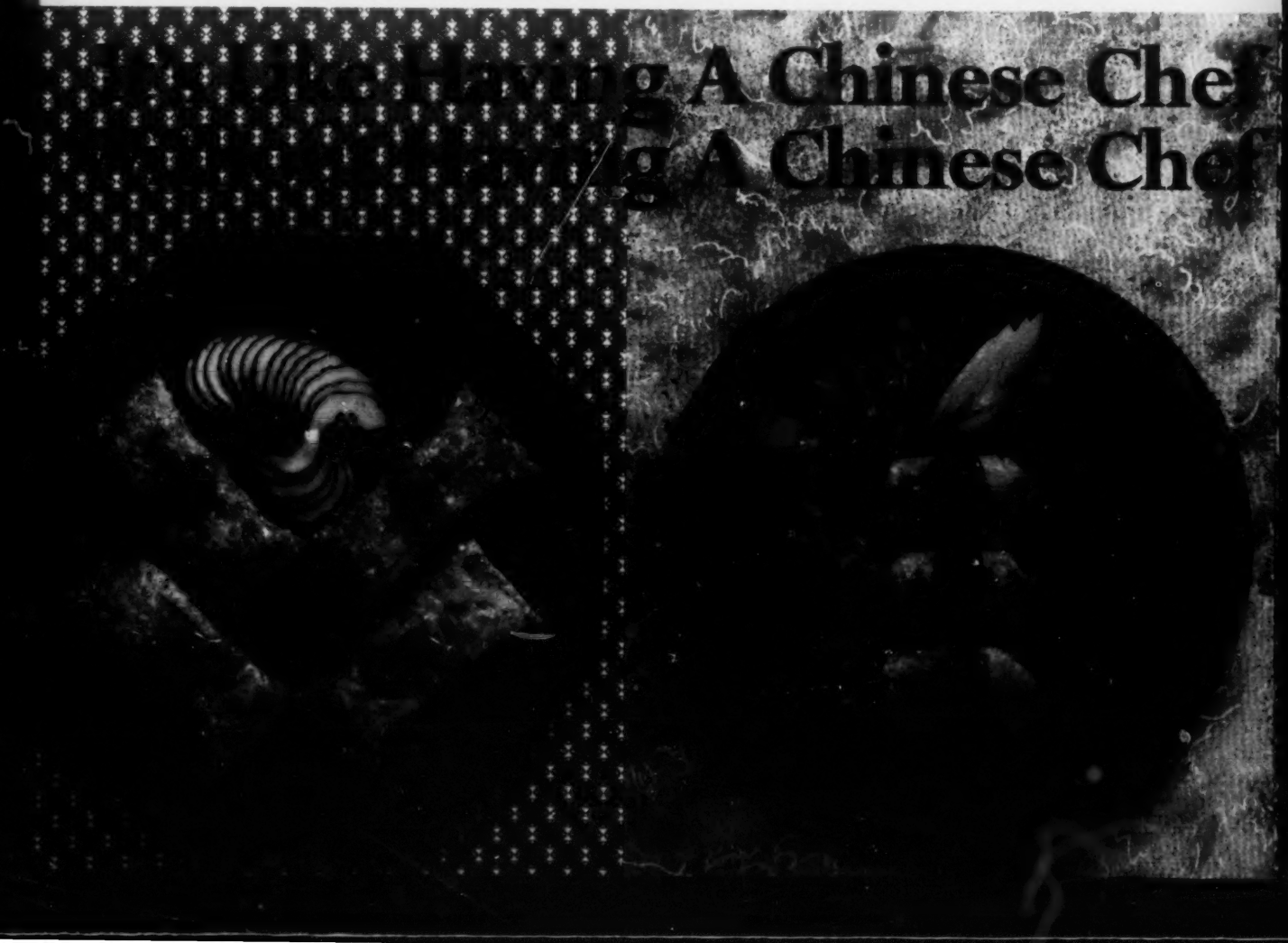

table behind the counter during rush periods, and some six other specialties are cooked to order. All cooking is to order during slow periods.

The average check at an Eggroll Express is about $3.50; the small chain's trademark is ample quantities of food at low prices.

According to Burge, a number of factors make running a fast-food Chinese operation considerably different than running a typical American outlet. "For one thing, the amount of work done in the kitchen of an Eggroll Express is probably five or six times what goes on in a Wendy's or a Hardee's," he says. "Our menu is 70% vegetables, which have to be cut fresh daily. We take a large fresh produce delivery every day, and two or three workers do nothing all day but chop vegetables."

Although the Eggroll Expresses utilize steam tables during busy hours, turnover is so fast that the food is never prepared more than 45 minutes ahead of being served.

The segment is viable: Traffic counts at Asian restaurants leapt 57% between 1982 and 1987.

Burge says that some Chinese workers are necessary, and that the need for Chinese workers goes beyond the cosmetic. Caucasians require extensive training in order to turn out Chinese food quickly. Such extensive training can be a problem.

The Huangs, with their roots in Tulsa's small Chinese community, are able to attract Chinese workers for the kitchen, although the faces at the counter might be Caucasian, says Burge. Then, the company goes to great lengths to keep them. Turnover is low.

Once Chinese cooks are found, another problem arises. Chinese cooks tend to believe that their own way of handling a wok is right, yet consistency is crucial to the success of any chain, fast food or full service. Eggroll Express utilizes standardized recipes to insure consistency, and head chefs are promoted from within so they know the company's procedures.

Eggroll Express plans some expansion in and around its home market. First will come openings in surrounding suburban communities such as Broken Arrow, Sand Springs, and Se-

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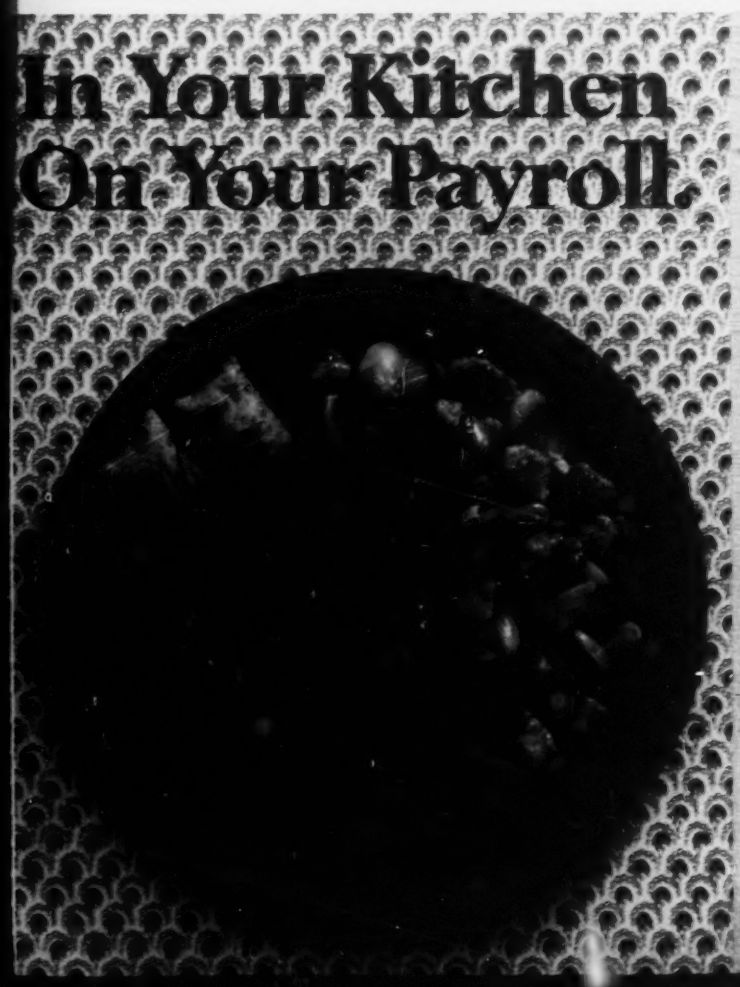

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WONG WING

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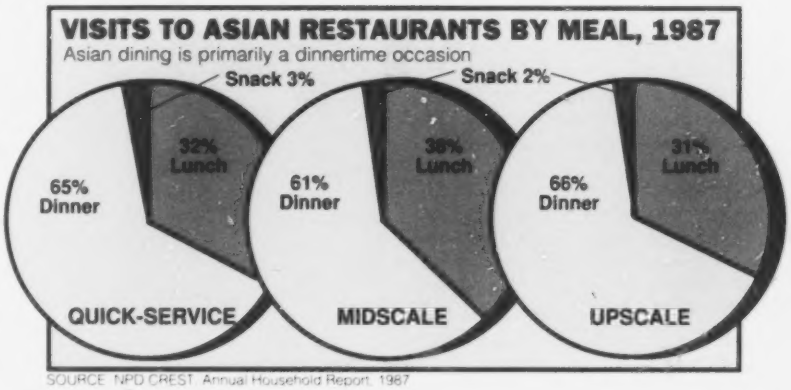
pulpa. Eventually, Eggroll Expresses may open in nearby cities such as Wichita, Little Rock, and Fayetteville.

Lucy Chee McHale operates a delivery-only Chinese outlet called China Shuttle in Menlo Park, CA. She has spent a great deal of time systematizing recipes, and she says she hopes that the fast-food unit will serve as a prototype for franchising.

McHale has always been innovative. As the young wife of a Hilton Hotel executive, she moved to Omaha, NE, a number of years ago and was dismayed that she couldn't find an array of Chinese ingredients. She started substituting American ingredients in Chinese recipes, and the *All American Chinese Cookbook* eventually developed. After moving to California, she started giving cooking classes. Then two Americans called her and asked her to do the recipes for their new restaurant, China Shuttle. She received a small share of the restaurant for her efforts, but after a short while she bought out her partners.

McHale calls her menu "California-style Chinese." Such traditional favorites as egg rolls, wontons, potstickers, and hot-and-sour soup share the menu with more innovative specialties such as Chinese chicken salad with spicy peanut or sweet-and-sour ginger dressing. Fresh sourdough bread is used for the shrimp toast. And the obligatory fortune cookie has been dressed up with a chocolate coating. Drink offerings include natural sodas. Prices range from $1 for an egg roll to $7.50 for Szechwan shrimp.



SOURCE: NPD CREST, Annual Household Report, 1987

McHale agrees that an easily duplicated Chinese fast-food prototype has been difficult to develop because of the vagaries of Chinese chefs. "That's why I'm formalizing everything." At China Shuttle, much of the laborious chopping and cutting of meats and vegetables is done by machine. Nevertheless, one person does nothing all day but cut vegetables. Another cuts meat.

The vegetables and marinated meat are preportioned, enough for one recipe per plastic bag, and refrigerated. Sauces are dipped with 3-oz. ladles, so all a cook does is grab the correct vegetables and meat, throw them in the wok, and add a ladle of sauce to cook to order. Recipes are clearly posted.

As a result, McHale says that she doesn't have to rely on Chinese personnel. In fact, only one of her workers is Chinese; most of the rest are American college students.

McHale just recently opened her full-service China Shuttle restaurant at the site of a former restaurant with a '50s diner theme. She has kept the '50s decor, including a soda fountain that makes milk shakes and sodas, but the menu is an expanded version of the first China Shuttle's. The restaurant also emphasizes delivery.

The first China Shuttle is the prototype for any future expansion, explains McHale. The second China Shuttle is atypical, developed for a site she found and liked very much.

An interesting concept in the New York City area is Mr. Tang's, with two full-service restaurants with adjoining take-out operations, and three take-out-only units now open in Brooklyn. More take-out units are set to open this year, and the Caucasian owners say they believe they could expand Mr. Tang's in the New York metro area.

What makes Mr. Tang's unique is that, to all outward appearances, the restaurants are operated by ethnic Ori-

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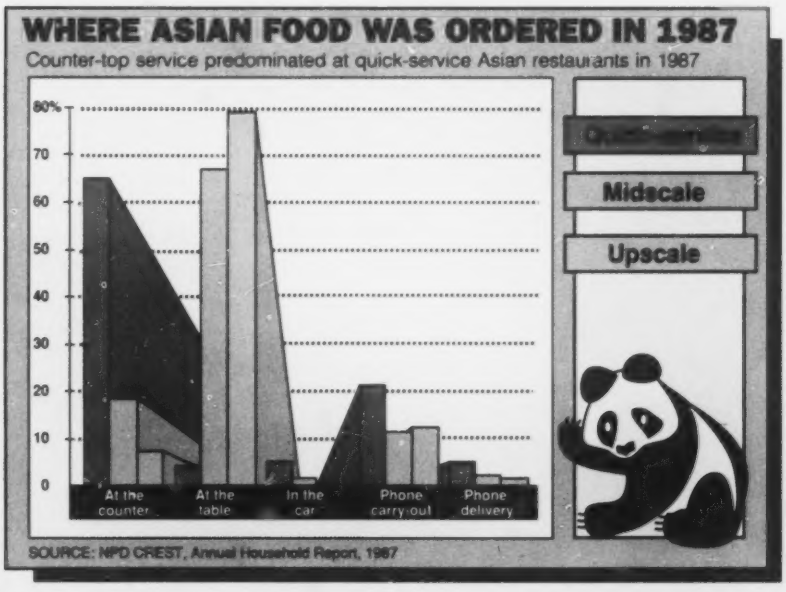

SOURCE: NPD CREST, Annual Household Report, 1987

entals. Not a clue exists that Westerners—Italians—own the restaurants.

This "deception" is possible because owners Michael DeLuca and two other Italians have a fourth partner, Nicky Tang, a Chinese man with ample ties to New York City's vibrant Chinatown. All the Mr. Tang's employ Chinese workers almost exclusively, as well as Chinese chefs and managers. What separates the Mr. Tang's group from many of those owned by Chinese people, however, is an insistence on standardized recipes.

In addition, the Caucasian owners have made every attempt to accommodate their Chinese workers and understand their culture. Because transportation is often a problem, the company even provides transportation from Chinatown to Mr. Tang's units.

ANOTHER APPROACH. Rather than trying to develop an Oriental fast-food concept along the lines of a traditional Chinese restaurant, one restaurateur is taking a different approach.

"A lot of operators are trying to make a go of it in the Oriental segment, but they're trying to go straight Chinese," says Sid Shane, owner of Miami's Samurai Sam Jr. "They're going head-to-head with the ethnic independents, and it won't work."

Besides the company-owned unit in Miami, three franchised units are open in Texas, California, and Florida. Shane says that franchising is on hold until more company units are open.

Shane doesn't try to convince customers that Samurai Sam Jr. is a "real" Chinese restaurant. The restaurant is small and bright, with only 12 seats and an emphasis on take-out and delivery. The menu is about half popular Chinese specialties and half Japanese specialties, with a smattering of other cuisines.

About 60% of sales come from delivery, says Shane, and he's shooting for 80%. Drivers show up at homes within a three-mile radius in 30 minutes, clad in "happy coats" and carrying orders packed in specially designed packaging that can be reheated in a conventional or microwave oven. Delivery service is promoted via flyers, door hangers, and direct mail.

The restaurant doesn't look like the typical Oriental restaurant. All cooking takes place in an open kitchen, and the small dining room is full of neon and traditional *soshi* wall screens.

China Shuttle in Menlo Park, CA, is a delivery-only operation.

Successful operations almost always have an Asian personality masterminding the enterprise.

Shane chose to develop a menu featuring both Chinese and Japanese food for several reasons. In addition to setting Samurai Sam Jr. apart from the ethnic competition, the combination allows cooks to turn out food faster. Most kitchens can't accommodate 10 or 15 woks fired up at once, and most cooks can't manage a multitude of woks. Therefore, at least half of Samurai Sam's menu doesn't require woks.

Like other operators, Shane has confronted the problem of the temperamental Chinese chef who likes to do things his own way, works without recipes, and in essence holds the kitchen hostage. Shane has standardized recipes, and uses Orientals to teach Caucasians Chinese cooking techniques and how to use a wok.

In addition, Samurai Sam Jr. utilizes a commissary that prepares sauces and other basics for the four restaurants. At the units, most of what goes on in the kitchens is marinating and stir-frying.

Shane says that volume is important to the success of an Oriental concept, because large portions are expected by customers. He projects that the Miami Samurai Sam Jr. will gross close to $500,000 in 1988, although "$400,000 would allow me to do a nice profit."

THE GIANT. Samurai Sam Jr.'s approach, combining both Eastern and Western elements with crowd-pleasing theatrical flair, is precisely the formula that has swept Benihana to success. Benihana is celebrating its 25th year in business this year.

Miami-based Benihana National Corp., the public company, now boasts 19 company-owned units and one franchised unit, while Benihana of Tokyo, the sister company 100% owned by founder Rocky Aoki, operates 29 company-owned and eight franchised restaurants. Another restaurant under the Benihana National Corp. umbrella was scheduled to open by mid-February, and president Joel Schwartz says that slow but steady expansion will continue.

Benihana is now in the process of developing a new concept, called the Benihana Cafe, that will be franchised on a wider basis. The Benihana Cafe will eliminate the seating of customers around a number of grills where one chef at each table cooks the orders. Instead, one large cooking area with one chef will be surrounded by small tables, and meals will be delivered to the tables, says Schwartz. The Benihana menu will remain the same.

The first Benihana Cafe was scheduled to open early this year in New York City, as a franchise of the Riese Organization. They are expected to eventually open two Benihana Cafes.

Schwartz notes that Benihana has gone back to basics in the last year. The company's retail line of frozen foods was sold last December, and in March, a seafood emporium called Big Splash was closed. As a result, Benihana is showing a return to profitability for the second quarter after a couple of years of losses. Average unit volumes are $1.8 million, says Schwartz.

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Schwartz is among those who agree that Oriental faces are important at an Oriental-themed restaurant. Benihana brings chefs from Japan, where the company maintains an office. Founder Rocky Aoki's family operates 24 restaurants in Japan; they're known as Benihana of New York.

CHINESE PARTNERS. The most successful chain in the country with a more traditional Oriental motif is Columbus, OH-based Mark Pi International. It has 30 units scattered around Ohio and sales of $20 million in 1988.

Most of the restaurants are full-service units operated under the name China Gate, while nine units are fast-food outlets called Ancient Wok.

Mark Pi International president Lowry, who works closely with founder Mark Pi, says he is not sure why this company has been successful where others have failed. "I think that part of what we've done right is to open a commissary, which gives us consistency and control and gets us away from dependence on highly trained chefs," he says. In addition, he says, all restaurants are operated under licensing agreements, with operators who are partners in the unit. And most of the partners are Oriental.

"It certainly doesn't hurt to have some Chinese faces around, especially when one is your host," Lowry says. "However, in our units in some smaller towns, we have almost all Caucasian employees. The competition doesn't have Oriental employees either."

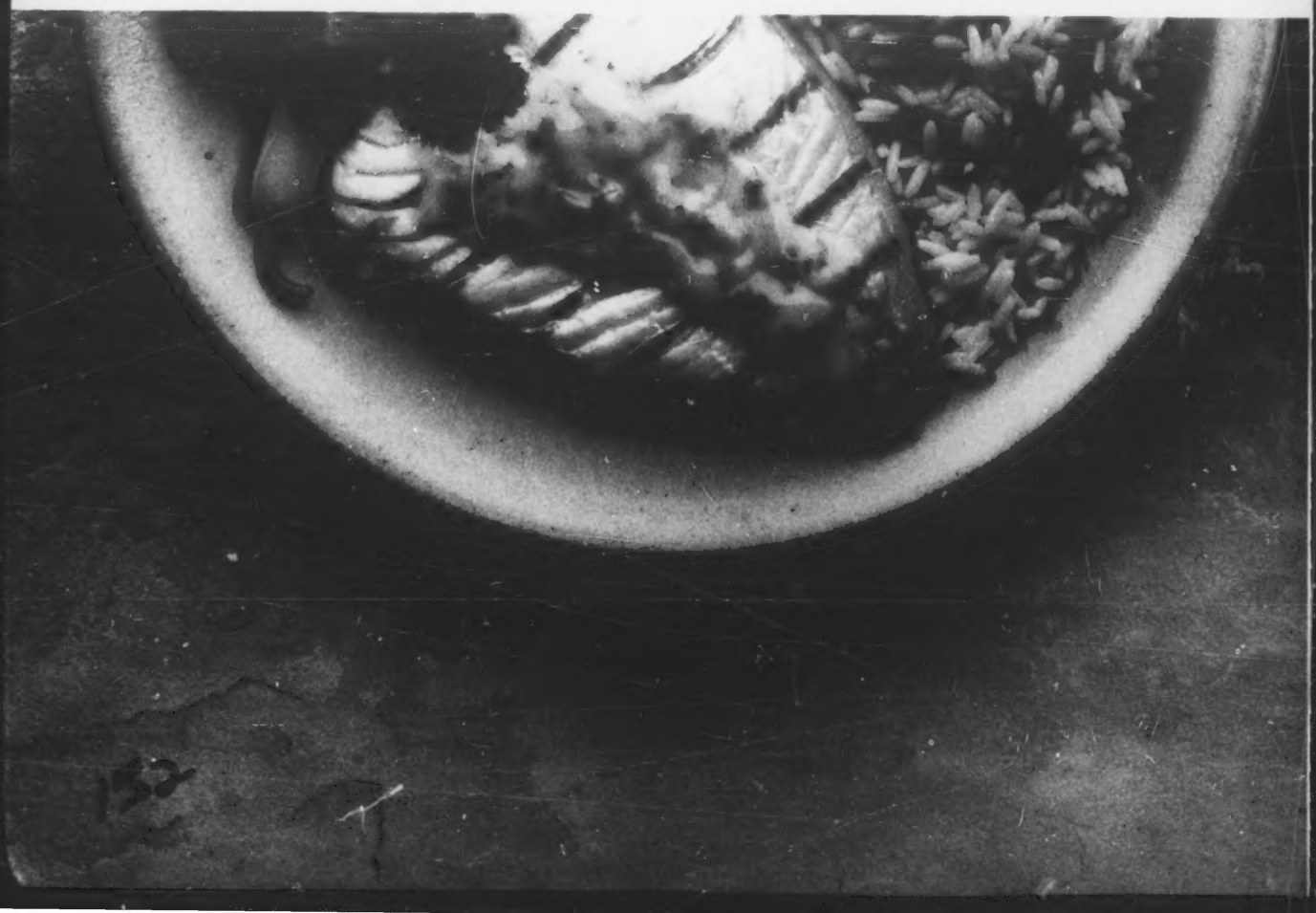
Over the last year, Mark Pi International management has been concentrating on developing operating manuals and efficient systems, as well as installing a mini-computer. The company is also looking at initiating distribution of its egg rolls.

"As we contemplated opening more units, we realized we had to develop systems to insure consistency between units," says Lowry.

Mark Pi International has also opened a downscaled prototype that will be a model for future expansion. "Our other restaurants are tagged as 'gourmet Chinese,' with tuxedoed waiters and a check average of around $12," says Lowry. "The remodeled unit has a slightly lower check average, more casual uniforms, and a simplified menu."

The simplified menu is also a result of Mark Pi International's desire for expansion. "We wanted to make sure that recipes could be handled by multiple operators, unlike some of the more complicated gourmet sauces we are using now. We are concentrating on dishes that can be done well by a capable, trained person."

Particularly popular right now are restaurants that draw their inspiration from Asian cuisine, but skillfully blend



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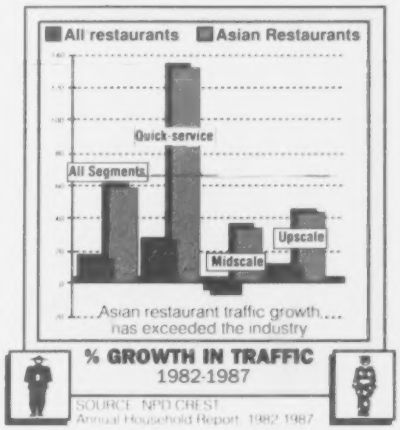
Asian ingredients with Western styles of cookery.

One such restaurant is Chicago's Eurasia, owned by The Levy Restaurants, owners of some 30 fashionable restaurants in Chicago and Pittsburgh. Opened in June 1988, Eurasia is a long way from the typical Chinese restaurant. The menu harks back to the East, but the innovative selections are Eurasia's own.

Dinners are served family-style. Attention is paid to the appearance of plates; for example, a half tandoori chicken, with crispy red skin, is surrounded on a plate with petals of grilled leeks, cucumbers, and shiitake mushrooms, and served with sesame mayonnaise and *nan* bread. Sashimi-grade tuna, seasoned with a Japanese spice mix called *shichimi togarashi*, is thinly sliced and fanned out on the plate, then balanced by a mango-papaya and teardrop tomato salsa.



Other signature dishes include tuna tartare with Eurasia sesame crackers; Peking Duck Eurasia with scallion-rice pancakes; a whole sizzling seasonal fish; lobster toast; and spinach lamb potstickers. Side dishes range from spicy Indian ratatouille to cold sesame pasta and duck fried rice.

Desserts combine French and Italian techniques with Asian influences. Selections include fried banana wontons, a steamed ginger pudding cake, and Pandora's Box, an almond meringue box filled with white chocolate chip and caramel mousse, and dark chocolate and caramel sauces.

Prices for lunch entrees range from $7.95 to $15.95. Prices for dinner entrees range from $13.95 to $22.95. Average check is $16 per person at lunch and $28 per person at dinner.

Chopstix, an Oriental-inspired restaurant on Los Angeles' trendy Melrose Avenue, may be the prototype for a chain, says co-owner Bill Milham.

Chopstix's menu was designed by Hugh Carpenter, a Chinese chef and

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cookbook author. Carpenter, a partner in the restaurant, is working on a cookbook based on Chopstix's menu.

The menu is broken down into four different categories, and is designed for grazing. Selections include soups and salads, dim sum, stir-fried dishes, and grilled seafood and meats. Everything comes in appetizer-size portions.

"We consider our menu Thai-Chinese-California cuisine," says Milham. "But we're not going to go head to head with the typical Chinese restaurant." For example, one dim sum selection is a Tex-Mex vegetarian dumpling. A Chinese Marco Polo pizza is made with duck and Chinese vegetables, and a coconut noodle toss is served with shrimp or chicken and vegetables. Other selections include a curried chicken *bao* that is available fried or steamed.

Prices are moderate, with lunch checks in the $5 to $7 range, and dinner checks in the $8 to $9 range. Yet, the restaurant's image is upscale, with bright splashes of turquoise, yellow, and raspberry.

In the open dining room, a cook prepares grilled items at one end, and "dim sum ladies" and "salad ladies" work at the opposite end. Employees doing the cooking are Oriental, but most of the waitstaff are Caucasian.

The partners opened their second unit at the end of last year, and hope to launch more units in the future. Five leases are already signed in other California locations. All are company-owned or limited partnerships.

"After five stores anything is possible. We have offers to go into Japan and Europe," says Milham. "We feel we've created a restaurant concept that is unique, easily duplicated, and extremely simple."

One of the keys to the concept's simplicity is a commissary kitchen, where food is prepared fresh daily and trucked to the two units' kitchens.

GOING HEAD TO HEAD. Around the country, a few Caucasians in love with Chinese food have dared to challenge the hegemony of the Chinese chefs by opening their own upscale restaurants. One is Martin Binder, a Chicago banker and manufacturer who owns Memories of China, serving specialties from the Chinese provinces.

Memories of China daily offers seven fresh fish in a variety of preparations. Although seven different preparations are available for each fish, the menu recommends preferred preparations. For example, the recommended preparation for Dover sole is gently sautéed whole fish in the Mandarin tradition with a garlic, ginger, and scallion marinade. The menu recommends that orange roughy be prepared Cantonese-style, lightly batter fried and covered with a delicate sweet-and-sour sauce.

Other seafood specialties include Kung Bao squid from Szechwan, sautéed with red peppers and peanuts in a spicy red sauce; Three Flavor Szechwan scallops with vegetables in sweet, hot, and sour sauce; lemon shrimp in bird's nest from Canton—deep-fried shrimp sautéed in a tart lemon sauce and served in a potato "bird's nest"; and whole Maine lobster served Cantonese-style with egg flower sauce, Szechwan-style in spicy, sweet-and-sour sauce, or Hunan-style in a fiery garlic sauce. Entree prices range from $7.95 for some vegetarian dishes to $37.95 for Three-Way Peking Duck.

Binder admits that he does not have to rely on Memories of China for an income, and that he lost a lot of money the first seven or eight months the restaurant was open. He had the luxury of staying power, however, and during that time sales built from about $30,000 a month to about $100,000 a month.

Pictured is a children's menu from Mark Pi International, a 30-unit, full-service chain.

Potential certainly exists in the Oriental segment, but whether that potential can be tapped by Westerners remains to be seen.

Quality is extremely important, and customers want to be assured of some degree of authenticity if they are visiting a restaurant billed as Oriental.

In the past, entrepreneurs have been especially intent on developing a fast-food Oriental prototype that could be expanded on a wide basis, and that hope still exists.

"There's no reason why Oriental fast food shouldn't be up there with all the other ethnic foods," concludes Samurai Sam Jr.'s Sid Shane. "Oriental fast food just hasn't been presented properly. You've got to go first class and offer excellent quality. There's a market out there, but not for the guy who just wants to make a quick buck."